



August 27, 1996

ALL COUNTY LETTER 96-44

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: CHANGES TO THE AFDC OVERPAYMENT NOTICE OF ACTION FORMS

REFERENCE: MPP SECTION 44-352.12 - OVERPAYMENT CALCULATION
MPP SECTION 44-352.41 - GRANT ADJUSTMENT

HANDBOOK: THIS LETTER CONTAINS INFORMATION UPDATING THE AFDC NOTICE OF ACTION HANDBOOK

The purpose of this letter is to transmit copies of the revised Notice of Action forms for the NA 274 (7/96), NA 274B (7/96), NA 274C (7/96), and the NA 275 (7/96). Attachment I includes a description of the changes to each form, the disposition of current stock, the four revised Notice of Action forms and instructions for their use.

TRANSLATIONS

Camera-ready copies of the Notice of Action forms in English and Spanish may be obtained through the Forms Management Unit. Camera-ready copies of the Notice of Action forms in Cambodian, Chinese and Vietnamese may be obtained through the Language Services Bureau.

CONTACTS

NA Forms: Pam Kian - AFDC Policy Implementation Bureau (916) 654-1801/
CALNET 464-1801.
Overpayments: Joelyn Walters - AFDC Policy Implementation Bureau (916) 654-
1803/CALNET 464-1803.
Asian Translations: Language Services Bureau (916) 654-1282/CALNET 464-1282 or
FAX (916) 657-3429/CALNET 437-3429.
Spanish Translations: Forms Management Unit (916) 657-1907/CALNET 437-1907.

Sincerely,

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachment

ATTACHMENT I

NA FORMS

- o NA 274 (7/96) CONTINUATION PAGE - OVERPAYMENT COMPUTATIONS (PRIOR TO 10-1-89)
- o NA 274 B (7/96) CONTINUATION PAGE - OVERPAYMENT COMPUTATIONS (FOR 10-1-89 TO 8-31-91)
- o NA 274 C (7/96) CONTINUATION PAGE - OVERPAYMENT COMPUTATIONS (FOR 9-1-91 AND AFTER)
- o NA 275 (7/96) CONTINUATION PAGE - OVERPAYMENT ADJUSTMENT

STOCK

Current stock should be destroyed and the new forms used immediately. Due to low usage, the NA 274 B (7/96) will become Master Only.

FOR HOLDERS OF THE AFDC NOTICE OF ACTION HANDBOOK

File the NA forms and instructions in Section 5 of your AFDC NOA Handbook. Remove the earlier versions.

DESCRIPTION OF CHANGES

Due to the number of identical changes made, we combined some of the line-by-line descriptions. Notably, we made two major changes to the NA forms. First is the addition of the Unmet Needs of Ineligible Alien Child(ren) to the calculation on the NA forms. This was added for clarity and consistency with the regulations. Second is the restructuring of the overpayment calculation section in the NA 274, NA 274 B and NA 274 C forms. This modification also parallels the regulations.

NOTE: The NA 274, NA 274 B and NA 274 C are similar in design. The only difference is the location of the dependent care disregard in the net countable income section. (Prior to 10/1/89 the dependent care disregard came before the \$30 and 1/3 disregards. After 10/1/89, it came after the \$30 and 1/3 disregards.) Also, the NA 274 C has an extra step in the aid payment calculation as a result of the regulation change effective September 1, 1991.

NA 274 (7/96)/NA 274 B (7/96)/NA 274 C (7/96) Continuation Pages

The following are identical changes made on the above NA forms:

- o Deleted one column for added space.
- o Deleted the "a" and one line under "Family Gross Income".
- o Moved "Total Gross Income" over and put a circled 1 behind it.
- o Deleted the "b" in front of "Basic Need for ____ Persons".
- o Moved "185% of Needs" over and put a circled 2 behind it.
- o Changed the "a" and "b" in the narrative to a circled 1 and 2. Also changed the sentence structure from current to past tense and deleted "in C and D".
- o Deleted two lines under "Work Expense Disregard".
- o Deleted two lines under "Dependent Care Disregard".
- o Deleted "\$30 and" and left justified "1/3 Disregard".
- o Inserted and bolded "Subtotal" under the "1/3 Disregard" line.
- o Deleted two of the lines under "Other Countable Income".
- o Added "Child/Spousal" to "Court Ordered Support Paid".
- o Inserted an "Unmet Needs of Ineligible Alien Child(ren)" line under "Court Ordered Child/Spousal Support Paid".
- o Inserted one line of spacing after "Net Countable Income" total line in Section B.
- o Deleted two lines under "Net Countable Income" in Section C.
- o Moved "'D' Overpayment" above "Cash Aid Actually Received".
- o Changed "Cash Aid Actually Received" to "Cash Aid Paid to You" in new Section D.
- o Changed "Support Payments Collected for You" to "Correct Cash Aid Amount" and deleted an extra line underneath.
- o Changed "Correct Cash Aid Amount" to "Cash Aid Paid to You".
- o Bolded "Amount of Overpayment" and added "for Each Month".
- o Moved, bolded and capitalized "Total Overpayment".
- o Changed regulation cite from 44-352.41 to 44-352.12.

NA 274 (7/96) /NA 274B (7/96) Continuation Pages

The following are identical changes made on the above NA forms:

- o Inserted one line of spacing after "Correct Cash Aid Amount" in Section C.
- o Moved and bolded "Subtotal A" in new Section D.
- o Deleted one line under "Support Payments Collected for You".
- o Moved and bolded "Subtotal B" in new Section D.
- o Changed "(Subtotal A minus Subtotal B)" to "(Lesser of Subtotal A or B)" and bolded it.
- o Left justified "Rules/State Hearing" area.

NA 274 (7/96) Continuation Page

The following are changes made specifically to the above NA form:

- o Added to title, "(For Overpayments Occurring Prior to 10-1-89)".
- o Added to the footer "(Prior to 10-1-89)".

NA 274 B (7/96) Continuation Page

The following are changes made specifically to the above NA form:

- o Added to title, "(For Overpayments Occurring From 10-1-89 to 8-31-91)"
- o Added to the footer "(For 10-1-89 to 8-31-91)".

NA 274 C (7/96) Continuation Page

The following are changes made specifically to the above NA form:

- o Changed "Figured" to "Occurring" in the title.
- o Moved and bolded "Subtotal A" in Section C.
- o Moved and bolded "Subtotal B" and double underlined the columns in Section c.
- o Bolded "(Lesser of Subtotal A or B)".
- o Inserted one line of spacing after "(Lesser of Subtotal A or B)".

- o Moved and bolded "Subtotal C" in new Section D.
- o Moved and bolded "Subtotal D" in new Section D.
- o Changed "(Subtotal C minus Subtotal D)" to "(Lesser of Subtotal C or D)" and bolded it.
- o Left justified "State Hearing" area.
- o Added to the footer "(For 9-1-91 and after)".

NA 275 (7/96) Continuation Page

- o Bolded title "Overpayment Adjustment: Amount to be Taken From Monthly Payment".
- o Deleted "Overpayment" in the heading of both columns.
- o Indented text on the form.
- o Inserted an "Unmet Needs of Ineligible Alien Child(ren)" line under "Other Countable Income".
- o Moved, bolded and capitalized "Subtotal A", "Subtotal B" and "Highest Adjustment Allowed".
- o Added "Your" and "is" to "Your overpayment adjustment amount is:".
- o Changed the narrative "This is the smaller of: the Highest Adjustment Allowed or the Total Overpayment Owed or the Cash Aid Subtotal (from page 1)" to "[This is the highest adjustment allowed, or the total overpayment owed, or the cash aid subtotal (from page 1), whichever is less.]"
- o Bolded "Overpayment Still Owed".
- o Changed "Total Overpayment Owed at the First of the Month" to "Beginning Overpayment Balance".
- o Changed "Overpayment Owed after Adjustment" to "Ending Overpayment Balance".
- o Left justified "Rules/State Hearing" area and deleted regulation cite 44-352.12.

INSTRUCTIONS

NA 274 (7/96) Continuation Page - Overpayment Computations (Prior to 10-1-89)

Manual form, continuation page, cannot be used alone. This form is used only for overpayments that occurred prior to 10/1/89. Use as a second page to the NA 200 to first notify a current recipient of an overpayment. Use as a second page to the NA 290 to first notify a former recipient of an overpayment.

The entire computation must be completed for each month of the overpayment. Attach additional NA 274s as needed to show all the months of the overpayment. A separate NA 274 must be used each time a subsequent overpayment is discovered and a notice sent.

Section A - Family Gross Income

When the assistance unit's (AU's) gross income is greater than 185% of the AU's Basic Need Amount, skip Section B and enter \$0 in the total line of Section C.

Section B - Net Countable Income

When the overpayment is due to unreported income, no earned income disregards are allowed. (Work expense, dependent care, \$30 & 1/3)

Section C - Correct Cash Aid Payment

When the assistance unit (AU) size varies during the months of an overpayment, indicate the AU size in the parentheses and the corresponding Basic Aid Amount in the appropriate column.

Section D - Overpayment

Subtract the correct cash aid amount from the cash aid paid. Then subtract the support payment amount from the cash aid paid and the overpayment is the lesser of the two subtotals.

Revision Date: 7/96
file: pkian/NAFORMS/274.instr

NOTICE OF ACTION

(Continued)

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Overpayment Amount Owed
(For Overpayments Occurring Prior To 10-1-89)

Notice Date : _____
Case : _____
Name : _____
Number : _____

Overpayment Month and Year: _____

(A) Family Gross Income

_____	\$	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Total Gross income (1)	=	_____	_____	_____	_____
Basic Need for _____ Persons	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
Total Needs	=	_____	_____	_____	_____
	X	1.85	_____	_____	_____
185% of Needs (2)	=	_____	_____	_____	_____

If (1) is larger than (2), you were not eligible in that month and all the cash aid you got is an overpayment. The amount of your overpayment is figured below.

(B) Net Countable Income

Total Earned Income	\$	_____	_____	_____	_____
Work Expense Disregard	-	_____	_____	_____	_____
Dependent Care Disregard	-	_____	_____	_____	_____
\$30 Disregard	-	_____	_____	_____	_____
1/3 Disregard	-	_____	_____	_____	_____
Subtotal	=	_____	_____	_____	_____
Other Countable Income (List Sources)	+	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Court Ordered Child/Spousal Support Paid	-	_____	_____	_____	_____
Unmet Needs of Ineligible Alien Child(ren)	-	_____	_____	_____	_____
Net Countable Income	=	_____	_____	_____	_____

(C) Correct Cash Aid Payment

Basic Aid Amount (# persons) \$ Amount	()	()	()	()	()
Special Needs	+	_____	_____	_____	_____
Net Countable Income	-	_____	_____	_____	_____
Correct Cash Aid Amount	=	_____	_____	_____	_____

(D) Overpayment

Cash Aid Paid to You	\$	_____	_____	_____	_____
Correct Cash Aid Amount	-	_____	_____	_____	_____
Subtotal A	=	_____	_____	_____	_____
Cash Aid Paid to You	\$	_____	_____	_____	_____
Support Payments Collected for You	-	_____	_____	_____	_____
Subtotal B	=	_____	_____	_____	_____
Amount of Overpayment for Each Month (Lesser of Subtotal A or B)	=	_____	_____	_____	_____

TOTAL OVERPAYMENT (All Months) \$ _____

Rules: These rules apply; you may review them at your Welfare Office: MPP 44-352.12

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of Page 1 tells how.

INSTRUCTIONS

NA 274 B (7/96) Continuation Page - Overpayment Computations
(For 10-1-89 to 8-31-91)

Manual form, continuation page, cannot be used alone. This form is used only for overpayments that occurred from 10/1/89 through 8/31/91. Use as a second page to the NA 200 to first notify a current recipient of an overpayment. Use as a second page to the NA 290 to first notify a former recipient of an overpayment.

The entire computation must be completed for each month of the overpayment. Attach additional NA 274 Bs as needed to show all the months of the overpayment. A separate NA 274 B must be used each time a subsequent overpayment is discovered and a notice sent.

Section A - Family Gross Income

When the assistance unit's (AU's) gross income is greater than 185% of the AU's Basic Need Amount, skip Section B and enter \$0 in the total line of Section C.

Section B - Net Countable Income

When the overpayment is due to unreported income, no earned income disregards are allowed. (Work expense, dependent care, \$30 & 1/3)

Section C - Correct Cash Aid Payment

When the assistance unit (AU) size varies during the months of an overpayment, indicate the AU size in the parentheses and the corresponding Basic Aid Amount in the appropriate column.

Section D - Overpayment

Subtract the correct cash aid amount from the cash aid paid. Then subtract the support payment amount from the cash aid paid and the overpayment is the lesser of the two subtotals.

Revision Date: 7/96
file: pkian/NAFORMS/274B.instr

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

(Continued)

Notice Date : _____
Case Name : _____
Number : _____
Worker : _____
Number : _____

Overpayment Amount Owed
(For Overpayments Occurring From 10-1-89 to 8-31-91)

Overpayment Month and Year: _____

(A) Family Gross Income

_____	\$	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Total Gross Income (1)	=	_____	_____	_____	_____
Basic Need for _____ Persons	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
Total Needs	=	_____	_____	_____	_____
	X	1.85	_____	_____	_____
185% of Needs (2)	=	_____	_____	_____	_____

If **(1)** is larger than **(2)**, you were not eligible in that month and all the cash aid you got is an overpayment. The amount of your overpayment is figured below.

(B) Net Countable Income

Total Earned Income	\$	_____	_____	_____	_____
Work Expense Disregard	-	_____	_____	_____	_____
\$30 Disregard	-	_____	_____	_____	_____
1/3 Disregard	-	_____	_____	_____	_____
Subtotal	=	_____	_____	_____	_____
Dependent Care Disregard	-	_____	_____	_____	_____
Other Countable Income (List Sources)		_____	_____	_____	_____
	+	_____	_____	_____	_____
	+	_____	_____	_____	_____
Court Ordered Child/Spousal Support Paid	-	_____	_____	_____	_____
Unmet Needs of Ineligible Alien Child(ren)	-	_____	_____	_____	_____
Net Countable Income	=	_____	_____	_____	_____

(C) Correct Cash Aid Payment

Basic Aid Amount (# persons) \$ Amount	()	()	()	()	()
Special Needs	+	_____	_____	_____	_____
Net Countable Income	-	_____	_____	_____	_____
Correct Cash Aid Amount	=	_____	_____	_____	_____

(D) Overpayment

Cash Aid Paid to You	\$	_____	_____	_____	_____
Correct Cash Aid Amount	-	_____	_____	_____	_____
Subtotal A	=	_____	_____	_____	_____
Cash Aid Paid to You	\$	_____	_____	_____	_____
Support Payments Collected for You	-	_____	_____	_____	_____
Subtotal B	=	_____	_____	_____	_____
Amount of Overpayment for Each Month (Lesser of Subtotal A or B)	=	_____	_____	_____	_____

TOTAL OVERPAYMENT (All Months) \$ _____

Rules: These rules apply; you may review them at your Welfare Office: MPP 44-352.12

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of Page 1 tells how

INSTRUCTIONS

NA 274 C (7/96) Continuation Page - Overpayment Computations (For 9-1-91 and after)

Manual form, continuation page, cannot be used alone. This form is used only for overpayments that occurred from 9/1/91 through present. Use as a second page to the NA 200 to first notify a current recipient of an overpayment. Use as a second page to the NA 290 to first notify a former recipient of an overpayment.

The entire computation must be completed for each month of the overpayment. Attach additional NA 274 Cs as needed to show all the months for the same overpayment. A separate NA 274 C must be used each time a subsequent overpayment is discovered and a notice sent.

Section A - Family Gross Income

When the assistance unit's (AU's) gross income is greater than 185% of the AU's Basic Need Amount, skip Section B and enter \$0 in the total line of Section C.

Section B - Net Countable Income

When the overpayment is due to unreported income, no earned income disregards are allowed. (Work expense, dependent care, \$30 & 1/3)

Section C - Correct Cash Aid Payment

When the assistance unit (AU) size varies during the months of an overpayment, indicate the AU size in the parentheses and the corresponding Basic Aid Amount in the appropriate column.

Section D - Overpayment

Subtract the correct cash aid amount from the cash aid paid. Then subtract the support payment amount from the cash aid paid and the overpayment is the lesser of the two subtotals.

Revision Date: 7/96
file: pkian/NAFORMS/274C.instr

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

(Continued)

Overpayment Amount Owed
(For Overpayments Occurring on or after 9-1-91)

Notice Date : _____
Case : _____
Name : _____
Number : _____

Overpayment Month and Year: _____

(A) Family Gross Income

_____	\$	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Total Gross Income (1)	=	_____	_____	_____	_____
Basic Need for _____ Persons	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
Total Needs	=	_____	_____	_____	_____
	X	1.85	_____	_____	_____
185% of Needs (2)	=	_____	_____	_____	_____

If **(1)** is larger than **(2)**, you were not eligible in that month and all the cash aid you got is an overpayment. The amount of your overpayment is figured below.

(B) Net Countable Income

Total Earned Income	\$	_____	_____	_____	_____
Work Expense Disregard	-	_____	_____	_____	_____
\$30 Disregard	-	_____	_____	_____	_____
1/3 Disregard	-	_____	_____	_____	_____
Subtotal	=	_____	_____	_____	_____
Dependent Care Disregard	-	_____	_____	_____	_____
Other Countable Income (List Sources)	+	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Court Ordered Child/Spousal Support Paid	-	_____	_____	_____	_____
Unmet Needs of Ineligible Alien Child(ren)	-	_____	_____	_____	_____
Net Countable Income	=	_____	_____	_____	_____

(C) Correct Cash Aid Payment

Basic Need Amount (# persons) \$ Amount	()	()	()	()	()
Special Needs	+	_____	_____	_____	_____
Net Countable Income	-	_____	_____	_____	_____
Subtotal A	=	_____	_____	_____	_____
Maximum Aid Payment (MAP)	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
Subtotal B	=	_____	_____	_____	_____
Correct Cash Aid Amount		_____	_____	_____	_____
(Lesser of Subtotal A or B)	\$	_____	_____	_____	_____

(D) Overpayment

Cash Aid Paid to You	\$	_____	_____	_____	_____
Correct Cash Aid Amount	-	_____	_____	_____	_____
Subtotal C	=	_____	_____	_____	_____
Cash Aid Paid to You	\$	_____	_____	_____	_____
Support Payments Collected for You	-	_____	_____	_____	_____
Subtotal D	=	_____	_____	_____	_____
Amount of Overpayment for Each Month	=	_____	_____	_____	_____
(Lesser of Subtotal C or D)		_____	_____	_____	_____

TOTAL OVERPAYMENT (All Months) \$ _____

Rules: These rules apply; you may review them at your Welfare Office: MPP 44-352.12

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of Page 1 tells how.

INSTRUCTIONS

NA 275 (7/96) Continuation Page - Overpayment Adjustment

Manual form, continuation page, cannot be used alone. Use as a second page to the NA 200 to notify a recipient that a grant adjustment amount will change.

Use as a third page to the NA 200 to notify a client that a grant adjustment to recoup the overpayment described in that notice will start. (This is used with either the NA 274, NA 274 B or NA 274 C as the second page.)

When the grant adjustment amount has been established, the NA 275 does not need to be used again unless or until that amount changes.

When the overpayment is recouped and the grant adjustment amount stops, use an NA 200 to restore the full grant amount to the client.

Revision Date: 7/96

file: pkian/NAFORMS/275.instr

NOTICE OF ACTION

(Continued)

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case : _____
Name : _____
Number : _____

Overpayment Adjustment:
Amount to be Taken From Monthly Payment

**NOT CAUSED
BY COUNTY
ERROR**

**CAUSED BY
COUNTY
ERROR**

Cash Aid Subtotal (from Page 1)
Total Earned Income
Work Expense Disregard
Dependent Care Disregard
Other Countable Income
Unmet Needs of Ineligible Alien Child(ren)
Liquid Resources (list)

\$ _____
+ _____
_____ - _____
_____ - _____
+ _____
- _____
+ _____
+ _____
+ _____
= _____

\$ _____
+ _____
_____ - _____
_____ - _____
+ _____
- _____
+ _____
+ _____
+ _____
= _____

SUBTOTAL A

Maximum Aid Payment (MAP)
Special Needs

\$ _____
+ _____
= _____

\$ _____
+ _____
= _____

Adjustment Factor

SUBTOTAL B

= x.90

= x.95

HIGHEST ADJUSTMENT ALLOWED (A minus B)

\$ _____

\$ _____

Your overpayment adjustment amount is:
[This is the highest adjustment allowed, or
the total overpayment owed, or the cash aid
Subtotal (from page 1), whichever is less.]

\$ _____

\$ _____

Overpayment Still Owed

Beginning Overpayment Balance
Overpayment Adjustment Amount
Ending Overpayment Balance

\$ _____
- _____
\$ _____

Rules: These rules apply; you may review them at your
Welfare Office: MPP 44-352.41.

State Hearing: If you think this action is wrong, you can ask for
a hearing. The back of page 1 tells how.